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ABSTRACT

Recent national policies and legislation have made it imperative for the United Kingdom's further education (FE) institutions to adopt strategic approaches to the management of quality, change, and organizational development. It is necessary that any strategic approach developed by an FE college integrate processes, culture, and structure into a coherent whole. The following activities are key processes within FE colleges: strategy development; admissions; college promotion; human resource management; teaching and learning; and curriculum design/development. If they are to respond effectively to national requirements and grow with fewer resources, FE colleges must establish a more self-critical, improving, and responsive culture. Among the characteristics of successful organizational cultures are the following: customer focus; general commitment to common organizational goals; shared values; teamwork; critical self-assessment; good two-way communication; sound decision making and problem solving; acknowledgment of success; and forward-looking approach to change. Although many FE colleges have reorganized their structures in response to national requirements, no major quality approach used to date has structure as its main focus. To survive and prosper, FE colleges must map and streamline their key processes, establish a self-critical and responsive culture, and realign their structures to make them truly coherent and reflect the college's key processes. (MN)

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Strategic approaches to processes, culture and structures

Current context

The current climate of change, brought about by national policies and legislation, has made strategic approaches to the management of quality, change and organisational development a high priority for further education (FE) institutions. This paper outlines the current thinking of the Further Education Development Agency (FEDA) on this subject. It offers a way of conceptualising the issues. The model provided can be used to consider where strategic change needs to take place.

The external factors which affect FE institutions can be divided into those which relate to changes in society generally and those which affect colleges in particular. The former include:

- the changing nature of employment, including technological developments

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FEDA would like to acknowledge the following college principals for their advice and expertise early in 1996, which contributed to the development of the ideas expressed in this paper:

Patricia Haikin, Kingsway College

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The FEDA project team was: Julia Coleman, Gordon Holding, Rosemary Moorse and Stella Dixon. Bernard O'Connell is working with FEDA on another project on strategc culture change

- rates of employment and unemployment
- demographic changes
- development of the global economy
- general legislation that also affects colleges, such as the Disability Discrimination Act

Factors which affect colleges in particular arise from Government policies and legislation concerning efficiency, competition, vocational relevance, value for money and growth. These have found expression in a variety of forms such as: the 1992 Further and Higher Education (FHE) Act; the funding methodologies and growth targets of the Further Education Funding Councils (FEFCs); National Targets for Education and Training; new vocational qualifications; inspection frameworks; self-assessment; new contracts, and performance tables of examination results. Together they mean that in order to survive, let alone prosper, colleges must achieve more, at a higher quality and with a reducing unit of resource ("more and better for less"). Such national requirements have forced change on FE institutions in ways which few could have foreseen at the time of their incorporation.

Terry Melia, in his 1995-96 annual report as chief inspector of FEFC, characterises this as:

> *"a period of unprecedented change... a formidable accumulation of challenges... (resulting in a sector which is) leaner, fitter, more responsive and more entrepreneurial".*

If current proposals to withdraw the demand-led element (DLE) of funding are realised, such challenges will be exacerbated further. Many colleges have responded to these changes by re-structuring, often, but not always, a euphemism for removing management layers and large-scale redundancies. However, experience elsewhere and the literature on the strategic management of quality and change suggest that this may not in itself be sufficient or even the best place to start. *Making Quality Your Own* (Further Education Unit, 1995) argues that processes and culture also need attention. FEDA's view is that all three are important. A strategic approach needs to integrate processes, culture and structure into a coherent whole if it is to succeed and help the college achieve its mission in the context of the external factors outlined above.

Processes, culture and structures are discussed separately below, followed by a commentary about how they relate to each other and a model showing their relationship with the college mission and external factors.

Key processes

A process can be defined as a collection of activities which transforms inputs into outputs, within an overall system.

INPUTS ➡ PROCESS ➡ OUTPUTS

Within an overall college system, the inputs will be learners' achievements on entry and the college's capability and resources; the process will be the learning processes and their support systems; the outputs will be the learners' achievements and qualifications on exit (see above). The desired outcomes of this system are to equip young people and adult returners with the capability to become lifelong learners and effective contributors at work and in the community (see below).

INPUTS ➡ PROCESS ➡ OUTPUTS ➡ DESIRED OUTCOMES

Traditionally, emphasis in education has been on inputs and process. Increasingly there is a recognition of the need to start with the desired outcomes and work backwards to identify outputs and key processes. This is sometimes referred to as a 'pull', as opposed to a 'push'

approach, which starts with the inputs and works forwards. If a pull approach is adopted it should ensure both that the mission statement becomes a dynamic and useful tool and that the gap between rhetoric and reality is diminished.

Within any system there will be a number of key processes. For example, within a college the following may all be seen as key processes:

- strategy development
- admissions
- college promotion
- human resource management
- teaching and learning
- curriculum design and development

Each of these in turn will have inputs, a process (collection of activities), outputs and desired outcomes connected to them. They may also need to be broken down into sub-processes. Some colleges have used the seven aspects of colleges, identified in FEFC circular 93/28 *Assessing Achievement*, for inspection purposes as the basis of their key processes. No doubt they will amend these to match the nine aspects proposed for the new framework (FEFC circular 96/12).

Once key processes are identified and described, systems can be developed to ensure their delivery and staff appointed to take responsibility for them.

Links between the processes will need to be considered, for example, between admissions and induction or between the provision of learning support and curriculum delivery or between staff development and strategic development. Internal customer relations are of key importance in facilitating this.

Systems associated with key processes have often been developed on an *ad hoc* and sectional basis. As a result, practices vary, are wasteful of time and energy, may even be contradictory and are certainly confusing to students and other customers.

'Business-Process-Re-engineering', a quality model with its origins in the business sector, involves identifying key processes, then mapping and improving them, setting up systems to deliver them and ensuring they are managed effectively and monitored against given quality standards and targets.

One specific technique for mapping processes is flowcharting (see the FEU's *Continuous Improvement and Quality Standards* for more details and an example). This technique often shows up inconsistencies and wasteful practices which owe more to history than logic or relevance to the desired outcome. It can be used to map existing practice and to help to streamline it.

Creation of a self-critical, improving and responsive culture

Colleges need to establish a more self-critical, improving and responsive culture if they are to respond effectively to national requirements and achieve growth and improve quality with a lower unit of resource.

In many colleges this requires a radical culture shift at all levels. Cultural change is difficult to achieve. This is because it is difficult to change people's values, beliefs and established ways of doing things. It is far easier to *write* about an effective organisational culture than to achieve it.

Sometimes in FE, as elsewhere, there is a gap between the values expressed in the mission and the strategic plan and the implementation of them. Some institutional practices, which may be historical and archaic to that college, can make it almost impossible for it to implement its professed values, such as a commitment to being customer-focused. The challenge then is to create a culture where the reality matches the rhetoric.

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The rhetoric is relatively easy and can be found in many management textbooks. A successful organisational culture is likely to be characterised by the following:

- a customer focus (both internal and external)
- general commitment to common organisational goals
- shared values
- good teamworking
- critical self-assessment
- everyone taking responsibility for maintenance and improvement of quality
- good two-way communication
- encouragement to make constructive suggestions
- sound decision-making and problem-solving
- success being acknowledged and valued
- a forward looking approach to change

The Total Quality Management (TQM) approach to quality, in particular, stresses the importance of culture change. The question is how to achieve this. The first step must be to identify the current culture. When doing this the college must be prepared that this may uncover uncomfortable truths for managers and staff at all levels.

The use of employee surveys is one way in which this can be approached. These surveys, often undertaken by consultants using questionnaires and structured interviews, allow staff and managers to express the realities of the current culture of the college.

The findings of the surveys can then be synthesised and articulated constructively. To succeed, the consultant must create a climate in which all who take part feel free to speak honestly, while at the same time maintaining the trust of the senior management.

Senior management must be committed to listen to what is discovered and to respond to it, even if the messages uncovered are uncomfortable ones. Without this commitment the culture will deteriorate further rather than begin to improve.

For example, at Runshaw College the senior managers knew the importance of valuing staff and good two-way communication and thought that they were good at it. However, when they surveyed employees in order to identify the current culture in the college they discovered that this perception was not shared by all staff.

The senior managers at the college acknowledged the reality of the staff's perceptions, which included implied criticism of their past performance, and set about addressing the issues. Their subsequent action included:

- establishing ground-rules on management style and behaviour and monitoring whether staff followed these
- developing a new communications system
- increasing staff participation
- devising better ways of recognising staff contributions

A repeat survey some time later showed that staff perceptions had become much more positive. The recent FEFC inspectors' report about the college said:

"Morale is now high. Staff feel the senior management team is open, flexible and accessible."

Effective organisational structures

Curiously, although many colleges have reorganised their structures in order to respond to national requirements, no major quality approach has structure as its main focus.

The Process-Re-engineering approach would be to say that changes in structure should follow only after the key processes have been identified and streamlined. Traditional college structures, based on departments or faculties for example, may cut across these key processes. As a consequence, action to solve a difficulty in one part of the college, for example within a department, may have unforeseen implications elsewhere.

For example, in one college GCE A level provision was spread over four separate departments. Low numbers in one subject in one department led to the decision to stop offering that subject. However, this had unforeseen consequences for the whole GCE A level offer and led to even lower numbers across the college. It could have put the whole GCE A level provision in jeopardy.

Many colleges have recognised that their existing structures and hierarchical management may not be the most effective ways to run their incorporated institutions.

Their search for alternatives has included appointing co-ordinators to manage cross-college processes in addition to faculty, departmental or section managers. Common examples of these co-ordinators include student services, admission and quality managers. Reconciling cross-college relationships with departmental ones has often created tensions. Other approaches being tried include:

- a move towards flatter organisational structures by removing some of the layers from the hierarchy
- greater reliance on teamwork
- greater emphasis on short-term project management led on an *ad hoc* basis by people at different levels in the organisation
- making someone accountable for a given period of time for delivering a specific aspect of the strategic plan
- giving someone responsibility for a key process, again with reference to college strategy

The challenge is to find structures which provide accountability, flexibility and a degree of stability, recognising there may well be no 'right' college structure.

Some recent work FEDA has undertaken on structures confirms that many colleges have re-structured recently or are about to do so. Most of them made the changes to become more cost-efficient. For the majority the re-structuring took the form of removing layers from the management hierarchy, particularly at head of department, faculty or director level. Sometimes this was accompanied by the replacement of one vice principal with two or three associate principals.

However, a minority of colleges was reversing the trend and putting back layers, having removed others previously. They did this because the gap which had been created between the principalship and the next layer of managers was too great for effective communication or college management. The layer put back was rarely the same as the one removed previously, being different in either the level or number of posts.

Runshaw is one college which has taken such action. It initially removed a layer to meet challenging financial targets. It then found, through its employee survey, that internal communication was a key issue and so it responded by putting in an additional vice principal of Human Resource Management and Communication and three heads of faculty.

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Links between processes, culture and structure

That there needs to be a relationship between processes, culture and structure in a college's strategic approach to managing quality, change and organisational development should not be in dispute. However, views do differ about the relative importance of processes and culture.

Many commentators seem to agree that structure should follow the identification, analysis and streamlining of key processes.

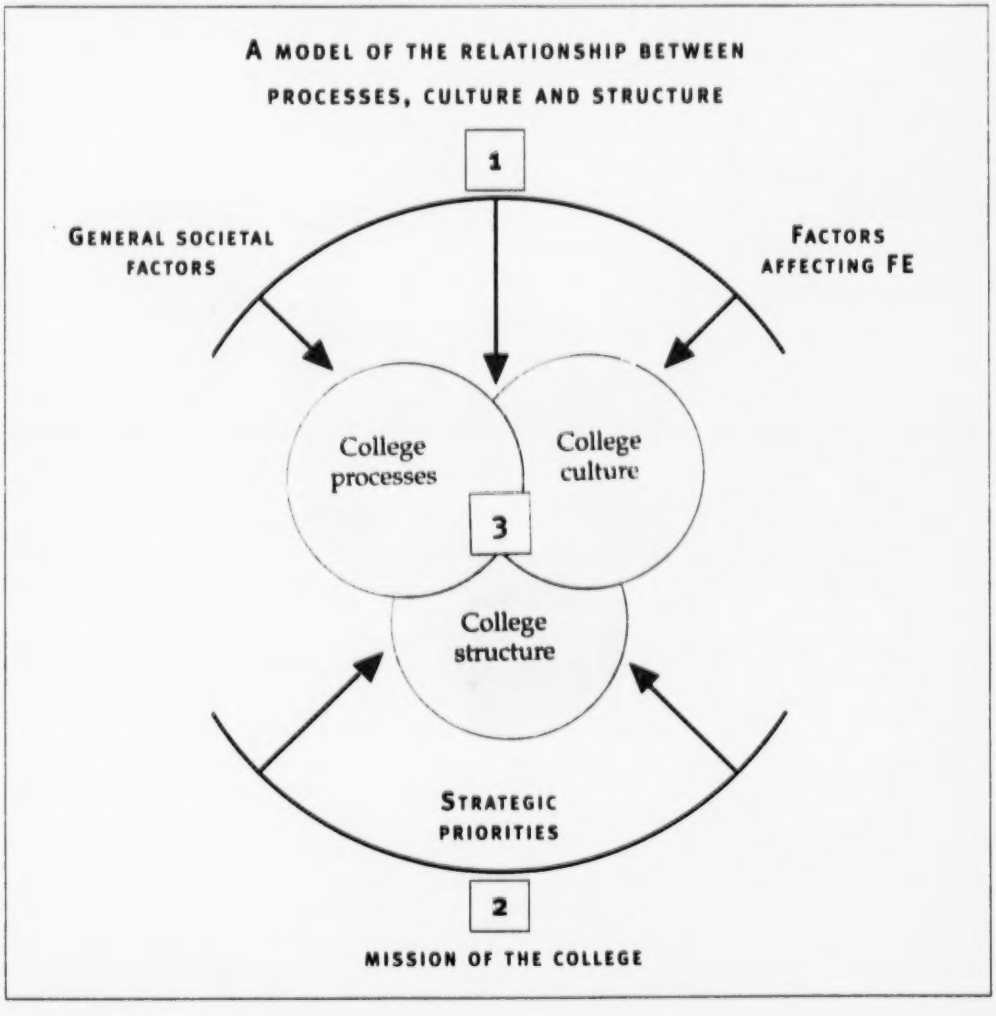
There is also an emerging view that a real improvement to the culture will be necessary if the college is to capitalise on any streamlining of its processes and subsequent re-structuring, in order successfully to achieve its mission and meet external challenges.

Towards a model

Optimum conditions apply when:

- a college's key processes have been mapped and streamlined
- a self-critical, improving and responsive culture has been achieved by the college
- the organisational structure reflects the key processes

This coherence is represented diagrammatically in a model below (see 3).



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The model also shows:

- the existence of external overarching factors **(1)**. These include general societal factors such as employment/unemployment patterns, demographic and technological changes, and those national requirements stemming from Government policies for FE in particular, characterised earlier as those which require colleges to achieve "more and better for less". These factors continually impinge upon colleges and constitute the changing economic and social contexts in which they must operate

- that the mission of a college **(2)** is influenced by, but also to some extent independent of, the external factors. Local socio-economic factors, including its competitors, will clearly influence a college's mission, but so too will its own vision of its purpose. At any given time a college will also have strategic priorities (for example, to improve achievement or to increase provision for adults) and these will also have an impact on its strategic management

Both these external and internal factors (**1** and **2** above) influence the college and its strategic management. In the model these influences are represented by arrows.

Conclusions

In order to survive and prosper, colleges need strategically to:

- analyse and refine key processes

- establish a self-critical, improving and responsive culture

- re-align structures so that they have a real coherence

If they achieve this, colleges will be in an optimum position to respond effectively to external factors and to achieve or move towards their individual missions and strategic goals.

Work on achieving coherence internally has to be undertaken alongside the pursuit of business and educational goals. Any tensions that exist must be reconciled, so that internal as well as external customer needs are met. For example, at Runshaw College staff were concerned about job insecurity. While unable for business reasons to undertake never to make any redundancies, the college did announce that it would consider compulsory redundancies only as a final resort. The employee survey showed that staff were not convinced by this because they felt insufficiently valued by the college. The senior managers then developed strategies to demonstrate that they do value staff, in addition to the redundancy policy.

FEDA is continuing to develop its ideas and expertise in this area. This includes development work on strategic culture change and employee surveys, drawing upon the expertise gained at Runshaw College. Another project is looking at the development of self-critical cultures at course team level, through our newly-established Quality Forums. A third project is identifying strategies which have enabled colleges to achieve "more and better for less". We welcome feedback on our ideas. Please contact: Dr Stella Dixon, Coombe Lodge, Blagdon, Bristol BS18 6RG. Tel: 01761 462503.

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